

#### **IC 4-4-7**

##### **Chapter 7. Economic Development Fund**

#### **IC 4-4-7-1**

##### **Definitions**

Sec. 1. As used in this chapter:

"Department" means the department of commerce.

"Federal agency" means the Economic Development Administration of the United States Department of Commerce.

"Federal program" means any federal loan or grant program which promotes economic development.

"Fund" means the economic development fund created by this chapter.

"Qualified entity" means the state, a political subdivision of the state, an agency of either, a not-for-profit corporation, or the Indiana development finance authority established under IC 4-4-10.9 and IC 4-4-11.

*As added by Acts 1980, P.L.8, SEC.4. Amended by Acts 1981, P.L.27, SEC.1; P.L.24-1987, SEC.1; P.L.11-1990, SEC.2.*

#### **IC 4-4-7-2**

##### **Creation; purpose; segregation**

Sec. 2. (a) The economic development fund is created. The fund is a revolving fund for the purpose of providing grants and loans for economic development activities in Indiana. The expenses of administering the fund shall be paid from the fund.

(b) Monies in the fund do not revert to the state general fund at the end of any fiscal year. Earnings on the monies in the fund remain in the fund.

(c) The monies in the fund shall be kept intact by separate entries in the auditor of state's office. No part of the fund may be used for any purpose other than the purpose specified in this chapter.

*As added by Acts 1980, P.L.8, SEC.4. Amended by Acts 1981, P.L.27, SEC.2.*

#### **IC 4-4-7-3**

##### **Treasurer of state as custodian; powers and duties**

Sec. 3. The treasurer of state is the custodian of the fund and may invest the monies in the fund. The treasurer of state shall also:

(1) receive cash receipts belonging to the fund, deposit these amounts in the fund, and submit a monthly report to the department of these transactions; and

(2) make payments on vouchers authorized by the department.

*As added by Acts 1980, P.L.8, SEC.4.*

#### **IC 4-4-7-4**

##### **Drawing of warrants**

Sec. 4. The auditor of state shall draw warrants upon the treasurer of state in payment of properly prepared vouchers signed by the director of the department, or his designee.

*As added by Acts 1980, P.L.8, SEC.4.*

#### **IC 4-4-7-5**

##### **Administration of funds; allocations; records; reports**

Sec. 5. (a) The department shall administer the fund and receive all grants allocated by any federal program for the purposes specified in section 6(b) of this chapter. Guidelines shall be prepared by the department enumerating the qualification procedures for receipt of grants and loans from the fund. These guidelines must be consistent with state law and federal program requirements.

(b) The director, with the approval of the state budget agency and the governor, shall allocate portions of the fund for the purposes specified in section 6(b) of this chapter. The department shall make allocations on the basis of the need of the qualified entity.

(c) The department shall keep complete sets of records showing all transactions by the fund in such a manner as to be able to prepare at the end of each fiscal year a complete report to the general assembly in an electronic format under IC 5-14-6. The information in the report must be sufficient to permit a complete review and understanding of the operation and financial condition of the fund.

*As added by Acts 1980, P.L.8, SEC.4. Amended by Acts 1981, P.L.27, SEC.3; P.L.28-2004, SEC.25.*

#### **IC 4-4-7-6**

##### **Application for grants; approved projects and grants; loan program**

Sec. 6. (a)(1) When no federal monies are to be used in conjunction with fund monies, a qualified entity that wants a grant from the fund must submit an application for the grant to the department. The department shall review the application, and may approve it if the activities for which the grant monies are to be used are activities:

(A) which the qualified entity has statutory authority to perform; and

(B) for which this chapter permits fund monies to be used.

(2) When fund monies are to be used to match federal monies, a qualified entity that wants a grant must submit to the department an application for a grant under the federal program. The department shall review the application and shall submit it to the federal agency, if the department finds that the activities for which the grant monies are to be used are activities:

(A) which the qualified entity has statutory authority to perform; and

(B) for which the federal program permits monies to be used.

Before submitting an application to the federal agency, the department must also approve the completeness and technical accuracy of the qualified entity's application.

(b) Monies from the fund and monies from a federal program may be used for the following projects: public works, technical assistance, economic adjustment assistance, and other economic development

programs.

(c) If the qualified entity proposes to use its monies for a loan program, the application from the qualified entity must contain the conditions under which loans will be made and the interest rate that will be charged.

*As added by Acts 1980, P.L.8, SEC.4. Amended by Acts 1981, P.L.27, SEC.4.*

#### **IC 4-4-7-7**

##### **Application for loan from fund; repayment; interest rate; disbursements; failure to repay**

Sec. 7. (a) A qualified entity may apply to the department for a loan from the fund to be used for economic development programs.

(b) Any amount loaned to a qualified entity is an obligation of that entity and shall be repaid to the department within a period of time to be fixed by the department, not to exceed three (3) years.

(c) The department shall determine interest rates for loans to be made under this section.

(d) Final disbursements of monies under this section must be made with the approval of the state board of finance.

(e) If a qualified entity fails to make repayment of monies loaned under this section, the amount payable may be:

(1) withheld by the auditor of state from monies payable to the qualified entity and transferred to the fund; or

(2) recovered in an action by the state on relation of the department, prosecuted by the attorney general, in the circuit or superior court of the county in which the qualified entity is located.

*As added by Acts 1980, P.L.8, SEC.4. Amended by Acts 1981, P.L.27, SEC.5.*